Independent Doctors Federation Response to the Competition Commission's Private Healthcare Investigation Notice of possible remedies under rule 11 of the Competition Commission Rules of Procedure

> **The existence of incentive schemes operated by private hospital operators to encourage patient referrals for treatment at their facilities**
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> **Remedy 4—preventing hospital operators from offering to consultants any incentives, in cash or kind which are intended to or have the effect of encouraging consultants to refer patients to or treat them at its hospitals except where such ownership results in a reduction in barriers to entry that is likely to be at least as beneficial to competition as any distortion is harmful.**

The IDF are of the opinion that decreasing reimbursement fees from PMIs, particularly from Bupa and Axa-PPP combined with increasing expenses involved with running a private medical practice eg rapidly increasing professional indemnity, secretarial costs and the costs of providing accommodation outside a hospital or clinic environment (Rents, CQC registration etc) are such, that newly appointed consultants will be reluctant to enter private medical practice. Help with provision of consulting rooms, administrative assistance for booking patients and secretarial assistance would help to reduce the costs, which in the long-term could lead to a less competitive market and less choice for patients.

The provision of facilities for academic meetings is necessary to encourage continuing medical education, particularly for those doctors who work exclusively in the independent sector.

> **Lack of sufficient publicly available performance information on consultants**
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> **We have provisionally concluded that lack of publicly available information on consultants is a feature of the private healthcare market which gives rise to an AEC. This feature has two aspects: consultant performance and consultant fees. We set out our proposed remedy for each in turn below.**

The IDF's logo is "Promoting Excellence in the Independent Medical Sector" and we are committed to encouraging the publication of data, which supports this. When it comes to performance we encourage consultants and hospitals to work together and to co-operate with initiates such as Private Hospital Information Network (PHIN) to provide accurate and meaningful information for patients and general practitioners for the future.

With regard to fees, we agree that patients should be kept informed of fees in advance in an open and transparent manner. We believe that consultants should be

free to set their own fees and to charge top-up fees if they so wish, but should not leave patients with unexpected short-falls.

Publishing these fees on websites is a more complicated issue than might first be appreciated. Should all patients be charged the same fee for consultations, whether long or short? Should all patients be charged at the same rate eg if Bupa set a reimbursement fee, should all PMIs be charged at the same rate and should self-paying patients pay the same. If this is the case and all consultants are forced to charge patients on the Bupa rate, there would seem little point in publishing the figure. We also understand that publishing fees can have an inflationary effect, as most doctors would not wish to be seen as the "cheapest".

It is not always possible for consultants to estimate fees in advance, which investigations will be required will not be known until after a provisional diagnosis has been made. It may not be possible to know what will be found during some procedures or predict which complications may occur. Some consultations will be short and simple and others may take a long time and be very complicated and there will be an enormous difference from one specialty to another. It is usually impossible to give written confirmation of fees when dealing with an emergency.

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